

**JUMBO MINING CO.**

6305 Fern Spring Cove  
Austin, Texas 78730

(512) 346-4537

Telex # 76-7177

DOGM  
MINERALS PROGRAM  
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SEP 12 1990

September 7, 1990  
File: UDH970

Mr. Don A. Ostler, P.E.  
Director, Bureau of Water Pollution  
Utah Department of Health  
Division of Environmental Health  
P.O. Box 16690  
Salt Lake City, Utah 84116-0690

DIVISION OF  
OIL, GAS & MINING

FAX NO. 801-538-6016

Dear Mr. Ostler:

Re: DRUM MINE PROJECT

In my letter to David Rupp dated June 22, 1990 I outlined our plans for the Drum Mine Project in general and requested an extension to continue leaching Heaps 1, 2, and 3 for an additional two years. In addition we reported on the status of the planned 60 day "leak test" leaching of heaps No. 2LG and No. 7, which had been requested by your department.

At the time of writing the June 22nd letter, it was anticipated that this test would start shortly thereafter, and that the results would be available well before the October 1st expiration of the permits on the other heaps, so that we could plan a reasonable continuity of employment for our mine personnel.

However, several things happened subsequently which, unless modified in some way, will result in the complete shutdown of the mining and leaching operations as of October 1st for an indefinite period of time. This will inevitably result in considerable economic harm to the employees, our suppliers, and to our company.

First of all, by your letter dated July 2, 1990, paragraph 2., you denied permission to continue leaching for the requested two years for Heaps 1, 2, and 3, beyond October 1, 1990.

Second, the DOGM has delayed granting its permission to conduct the test leaching of Heaps No. 7 and 2LG, despite having agreed to and accepting our cash bond covering all reclamation costs for these heaps. While we have requested an informal hearing on this matter, there is a distinct possibility that the matter will not be resolved prior to the October 1st deadline.

You will recall that the "leak test" of these two heaps was aborted last year by an early freeze in the area. Mindful of the approaching winter, in order to complete the tests by the end of this season, we must be prepared to commence the test as soon as all regulatory matters have been cleared. And in order to do this, we must preserve the crews, wells, pipelines, etc. which are needed to conduct the leaching tests on Heaps No.s 7 and 2LG.

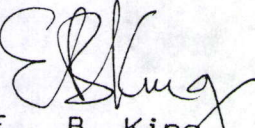


Accordingly, we request your permission to continue the leaching of the existing permitted heaps, 1, 2, 3, and 4-5 for the balance of this season (e.g., probably until mid December, or an additional two & one half months beyond October 1st). This will preserve employment for the crew for the balance of this season, and allow us to start the test immediately after we are granted permission by the DOGM to do so.

We hope that you will find this request reasonable in consideration of demonstrable economic harm which would be caused by the complete shutdown of operations on October 1st, and the reasonable probability that the continuation of the operation for this short period of time would not cause any significant degradation of the waters of the State.

Thank you for your early consideration of this request.

Sincerely,

  
E. B. King  
President

cc: Roger Foisey, Central Utah District Health Dept., Richfield.  
BLM, House Range Resource Area, Fillmore  
Wayne Hedberg, Oil, Gas & Mining  
D. Hartshorn, Drum Mine  
D. Austin, SLC  
Steve Clyde